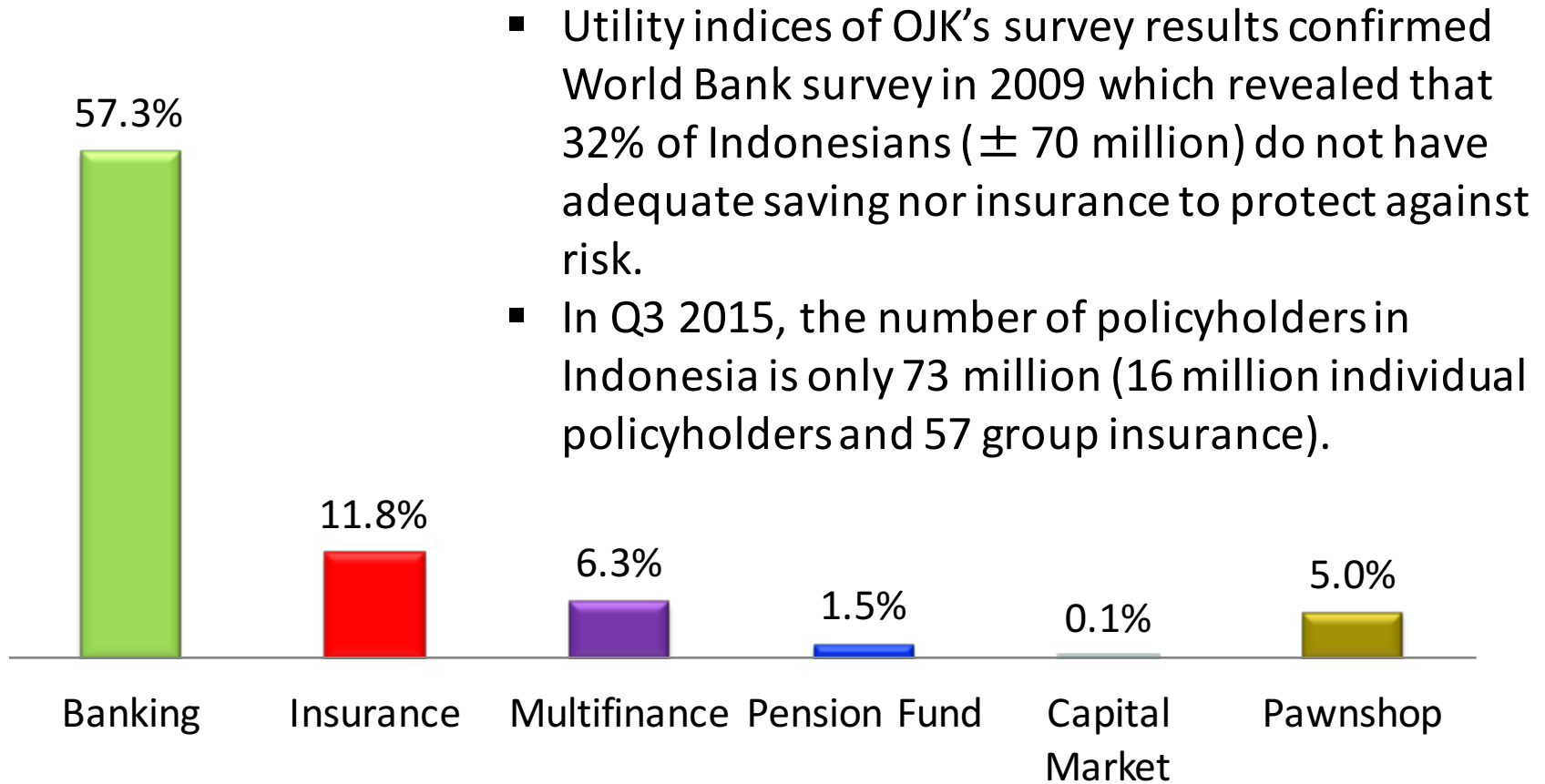


Protecting the Growing Seeds: the Role of Microinsurance and Microtakaful in Indonesia

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Sharia Non-Bank Financial Institutions



Utilization of Financial Products



- Utility indices of OJK's survey results confirmed World Bank survey in 2009 which revealed that 32% of Indonesians (\pm 70 million) do not have adequate saving nor insurance to protect against risk.
- In Q3 2015, the number of policyholders in Indonesia is only 73 million (16 million individual policyholders and 57 group insurance).

Source: OJK National Survey on Financial Literacy, 2013

Objective of Microinsurance / Microtakaful Development

- To support financial inclusion by improving access to insurance products which appropriate to the needs of low-income people through development of MI product and distribution channel.
- To enhance consumer protection within MI market through appropriate prudential and business conduct regulation and consumer education.
- To encourage broader participation of insurance companies/takaful operators through capacity building.
- To facilitate an effective supervision and enforcement, supporting the integrity of the insurance market as a whole.

Microinsurance Product

❑ Definition

Insurance or takaful product which is designed to provide protection on financial risks faced by low income people.

❑ Characteristic:

- Simple
- Easy to access
- Affordable/Economical
- Fast claim settlement

Microinsurance policy

- Policy should be written in simple bahasa Indonesia which is easy to read and understand.
- Policy wording in addition to Islamic aqad clauses should be no more than two pages.
- Exclusion on risk covered should not more than two items.
- Required claim documentation should not more than 4 documents.
- Claim payment should not later than 10 days after required claim documents received by insurers.

Marketing of Microinsurance

- Direct marketing.
- Insurance agent.
- Bancassurance.
- Other business entity other than bank (includes branchless banking agent, multifinance, microfinance, pawnshop, primer cooperatives, retail shop, telco company, and foundation).
- Microinsurance sales force.

Marketing of Microinsurance ...(2)

- Any person offering MI product should undergo training on product offered but not necessary to get certification as an insurance agent.
- Insurance company which use digital technology or mobile technology to offer MI products should provide clear information concerning insurance benefit, premium/contribution, and reference by which policy holder can access further information on detail product specification, policy wording, and claim procedures.

OJK's Roles on Microinsurance and Microtakaful Development



Prudential Regulation & Supervision:

- Pricing, GCG, & risk management.
- Solvency.

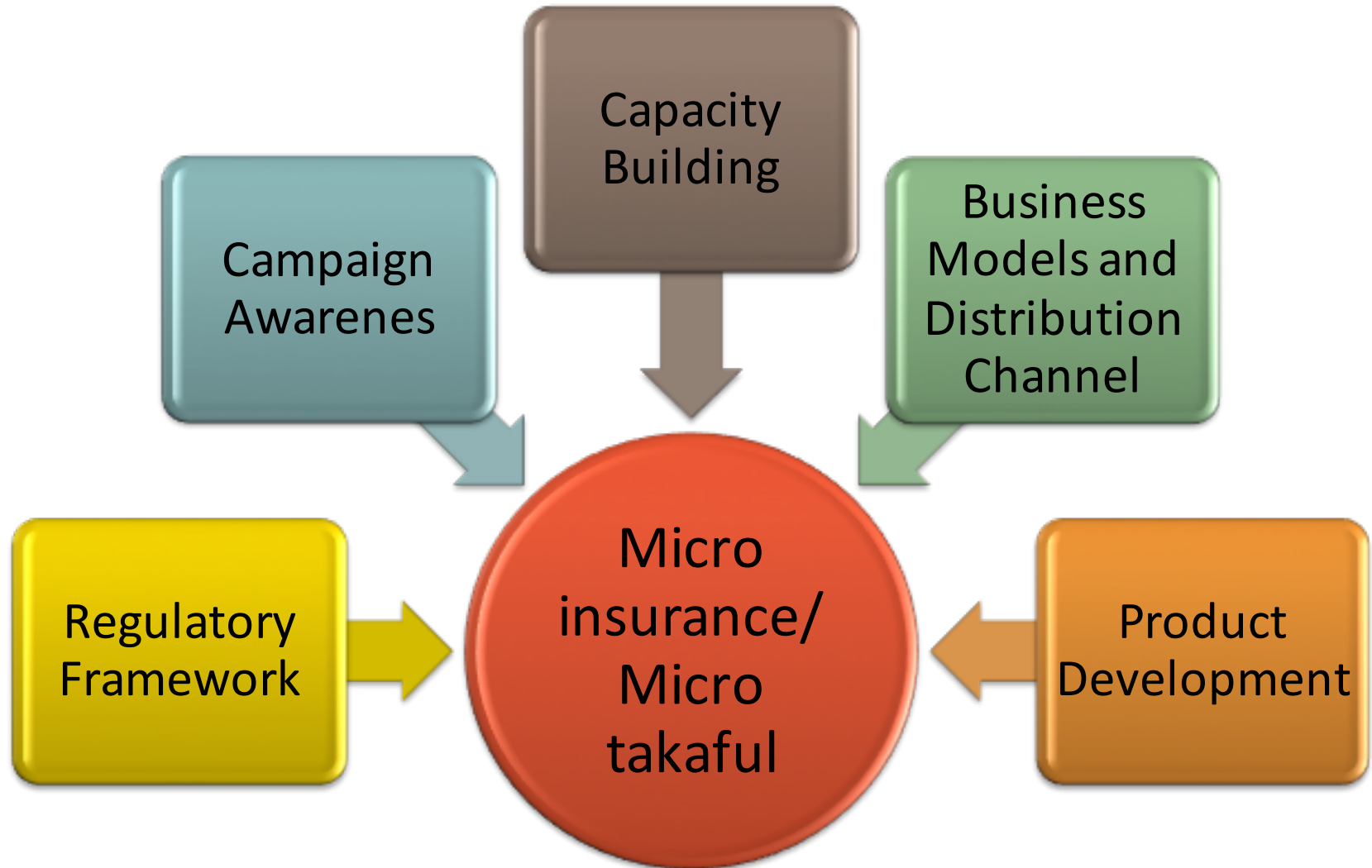
Market Development:

- Promotion & public awareness.
- Supporting regulation to create enabling environment.
- Capacity building of industry, i.e. information sharing.

Consumer Protection:

- Consumer education, product transparency, complain handling, dispute resolution.
- Market conduct supervision.

Development Focus



Regulatory Framework

Blueprint for development

- Launching of Grand Design Development of Microinsurance Indonesia
- This document serves as regulatory framework and reference for insurance/ takaful players, regulators and all stakeholders in developing microtakaful and microinsurance in Indonesia



Capacity Building

- Workshop on actuarial, distribution channel, product feature.
- Hosting on 9th International Microinsurance Conference in Jakarta with Microfinance Facility and Munich Re – 2013
- Hosting 2014 Microtakaful Conference Indonesia in Jakarta with GIZ Regulatory Framework for Pro-poor Insurance (RFPI) Asia



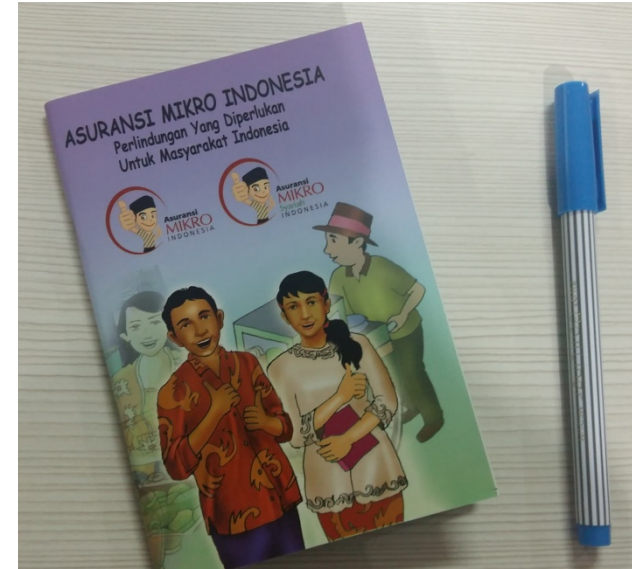
Business Model and Distribution Channel

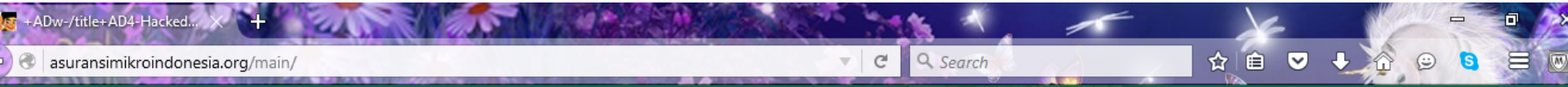
OJK conduct survey and study on microtakaful and microinsurance:

- Survey on microinsurance with World Bank :
Agustus 2013-Mei 2014
- Study on microtakaful with GIZ-RFPI Asia : Feb-
April 2014
- Survey on Insurance CEO Perception : selling of
Microinsurance/Microtakaful (June 2015 – March
2016)

Public Awareness Campaign

- In 2015, OJK and industry conducted microinsurance road show in 16 provinces. We will conduct another road 2nd semester 2016
- Marketplace events: Pasmina 1 and Pasmina 2
- Published brochure, jingle, logo and marketing communication tools
- Dedicated website at www.asuransimikroindonesia.org





Asuransi Mikro Indonesia

Sederhana, Mudah, Ekonomis, Segera



- HOME
- GRAND DESIGN OJK
- GALLERY
- BUKU
- PRODUK AFILIASI
- ASURANSI MIKRO

ASURANSI SINAR MAS JAJAKI KERJA SAMA DENGAN KOPERASI DI DESA

JANUARY 12, 2016 | KATEGORI HEADLINE, RILIS BERITA

MAGELANG- Pada tahun 2016, PT Asuransi Sinar Mas (ASM) menjajaki kerjasama dengan lembaga-lembaga atau koperasi yang ada di wilayah ... [selengkapnya](#)



[Tweet](#) [Like](#) 0

ASURANSI SINARMAS LUNCURKAN 9 PRODUK MIKRO

JANUARY 12, 2016 | KATEGORI HEADLINE, RILIS BERITA

MAGELANG- PT Asuransi Sinar Mas bersama-sama dengan PT Bank Sinarmas, Tbk melaksanakan acara Peluncuran Layanan Keuangan Masyarakat. Ada ... [selengkapnya](#)



[Tweet](#) [Like](#) 0

PACU PENETRASI ASURANSI MIKRO, KONSORSIUM BISA JADI SOLUSI

JANUARY 5, 2016 | KATEGORI RILIS BERITA

JAKARTA – Dibandingkan menentukan besaran porsi premi, pembentukan konsorsium asuransi mikro diyakini menjadi solusi bagi



Product Development

- Asuransiku
- Warisanku
- Rumahku
- Stop Usaha Gempa Bumi
- Stop Usaha Erupsi
- Si Abang
- Si Bijak
- Si Peci

Standard
products*

- Credit life
- Dengue insurance
- Typhoid insurance
- Personal accident insurance
- Hospital cash plan insurance

Non Standar
products

Currently, there are 65 companies out of 140 that sell microinsurance products

Microinsurance/Microtakaful Progress

	Jun-14	Des-14	Jun-15	Sep-2015	Des 2015
Number of Participants	5.8	8.8	9.8	14.7	22.8
Gross Premium / Contribution (IDR mio)	112.6	851.6	876.3	1,136.8	1,666.1
Gross Claim (IDR mio)	40.8	371.3	583.1	734.5	928.7
Claim Ratio	36.2%	43.6%	66.5%	64.6%	55.7%
Participating Companies	25	37	53	57	65

The way forward

- Microtakaful development is part of financial inclusion programs. It should be linked and interconnected with other initiatives on financial inclusions such as digital payment, branchless banking, microfinance etc.
- The need for coordinating forum between OJK, associations, insurance/takaful companies and distribution channels as well as communities is a key for product designing, knowledge sharing, joint public awareness campaign
- The need for coordination among various government agencies to strengthen financial inclusion initiatives

End of Presentation
